



Your Child Tax Benefit

The federal Child Tax Benefit, part of the Brighter Futures initiative, provides monthly payments on behalf of children under 18 years of age. This new Benefit replaces the Family Allowances program, Child Tax Credit and non-refundable Credit for Dependent Children. The Benefit, administered under the Income Tax Act, goes into effect on January 1, 1993.

Eligibility

The Child Tax Benefit is paid to the person who is primarily responsible for the care and upbringing of a child. This is generally the mother; however, it could be the father, a grandparent or guardian.

To be eligible for the Benefit, you must reside with the child and be a resident of Canada for income tax purposes.

In addition, you or your cohabiting spouse must be one of the following:

- a Canadian citizen,
- a permanent resident under the Immigration Act,
- a Convention refugee, or
- a visitor or holder of a Minister's permit under the Immigration Act, who has resided in Canada for the previous 18 months.

Both you and your cohabiting spouse must have filed Canadian income tax returns. This tax information will be used to calculate the amount of your Benefit. Information on how to file can be obtained from your local district office of Revenue Canada, Taxation.

Benefit Amount

The amount payable varies according to your family income, the number of children and their age. The Child Tax Benefit is tax-free.

The basic Benefit consists of:

- an amount for each child,
- a supplement for each child under age seven,
- a further supplement for the third and each additional child in the family.

For low-income working families, an earned-income supplement is added to the basic Benefit.

To focus assistance on children in low- and middle-income families, the Child Tax Benefit is gradually reduced for families with incomes above designated thresholds.

Direct Deposit

Payments can be made by direct deposit. If you wish to take advantage of this service, you should request a "Direct Deposit" form by calling the toll-free number at 1-800-387-1193, or by visiting your local district office of Revenue Canada, Taxation.

Changes to Payments

The annual payment cycle runs from July through June. Every June the monthly payments are automatically adjusted based on the latest information on family income from tax returns that you have just filed for the previous calendar year. You will be notified of any change in your payments in July.

A review of the Benefit amount to reflect the death of a spouse or a marital breakdown can be made upon request.

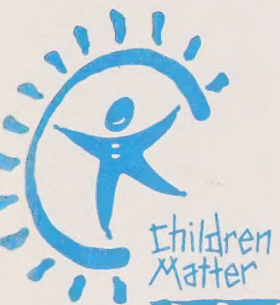
Applications

You should complete and file an application:

- as soon as possible after the birth of a child,
- on the arrival of an adopted child,
- when a child begins to reside with you,
- when you or your cohabiting spouse meet the requirements listed previously under "Eligibility".



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Any family that receives Family Allowances for the month of December 1992 does not need to apply for the Child Tax Benefit in January 1993.

You can request a copy of an application kit by calling 1-800-387-1193, toll-free. Kits can also be obtained from your local district office of Revenue Canada, Taxation or the nearest Income Security Programs office of Health and Welfare Canada. Consult the government listings of the telephone directory for the addresses.

Benefit Ceases

Benefit payments for a child automatically end in the month following the month of the child's 18th birthday.

You must notify Revenue Canada, Taxation or the nearest Income Security Programs office of Health and Welfare Canada, of any of the following changes in your family status which could cause benefits to cease:

- you or your cohabiting spouse are no longer residents of Canada,
- you cease to be the primary caregiver for the child for whom you receive the Benefit,
- you no longer reside with the child for whom you receive the Benefit,
- in the event of your child's death.

Children's Special Allowances

Children's Special Allowances is a separate program administered by Health and Welfare Canada under the Children's Special Allowances Act. Children's Special Allowances are paid on behalf of children under age 18 who are maintained by government departments, agencies or institutions. Children's Special Allowances are not taxable. There is no entitlement to the Child Tax Benefit for any month that Allowances are payable on behalf of a child. Contact an Income Security Programs office of Health and Welfare Canada for more information.

Additional Information on the Child Tax Benefit

Additional information can be obtained by calling the toll-free information line at 1-800-387-1193 (for service in French dial 1-800-387-1194), TDD: 1-800-665-0354 (Telecommunications Device for the Deaf). These lines are open during regular business hours.

Assistance and applications are also available upon request from your local district office of Revenue Canada, Taxation or an Income Security Programs office of Health and Welfare Canada. Their addresses are listed in the government pages of the telephone directory under "Revenue Canada, Taxation" and "Health and Welfare Canada, Income Security Programs."



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